

In 2009, dairy farms throughout the Valley and nation experienced one of the worst price crises of the last 40 years. America's roughly 65,000 dairies lost over \$12 billion. Sharp losses forced dairy farmers to lay off workers and, in many cases, shutter their operations.

To protect Valley jobs and help the dairy industry get back on track, Congressman Costa introduced the Dairy Price Stabilization Act. Costa's plan would promote market stability and individual dairy farmers' ability to grow their own business.

To view video of Congressman Costa speaking in support of his plan on the floor of the House of Representatives, click [here](#).

### **About Rep. Costa's Plan**

The Dairy Price Stabilization Act would help stabilize dairy prices by better aligning supply and demand. Under the program, individual dairies would have the choice of either maintaining their current production level (plus an allowable year-over-year growth rate based on market indications) or expanding their production and increasing their share of the market.

Dairies choosing to increase their market share would pay a fee during the first year of expansion which is paid out to their fellow dairy farmers who are maintaining their current share of the market. This creates a rational system that allows the market to absorb increases in production by providing a tangible financial incentive for most dairies to manage their production growth.

The structure of the bill is based on unbiased economic analysis and modeling conducted in the past 18 months. Both the growth rate and market access fee would be determined based on market indicators including feed costs which are the largest cost factor for producers in states like California. A producer board of directors would be established to advise the Secretary of Agriculture on any necessary adjustments to program operations. The bill empowers farmers by allowing them to vote on whether to enact the program and, three years after it commences, to vote on whether to continue it.

### What Other Members of Congress Are Saying

“After the worst year in recent memory, the time for comprehensive dairy reform legislation has arrived,” said Rep. Joe Courtney (CT). “I am pleased to join with Congressman Costa and others on this effort that will help stabilize dairy markets and protect our farming families.”

“Rep. Costa’s bill makes important steps toward stabilizing the price of milk, which is a top priority for dairy farmers,” said Rep. Rick Larsen (WA). “While I recognize this is only a first step in responding to the concerns that dairy farmers have around the country, this is an important step, and I am happy to support Rep. Costa’s legislation today.”

“Continuing volatility within the dairy industry has devastated Vermont’s hardworking family farmers and their counterparts across the country. We have responded with important short-term support measures, but we must not delay in finding a path to long term reform,” said Rep. Peter Welch (VT). “This bill sets an important marker as we find consensus within the industry about how to ensure the survival and prosperity of dairy.”

To learn more about what Congressman Costa is doing to protect Valley farmers, click [here](#).

